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INFORMATION REPORT

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COUNTRY Poland

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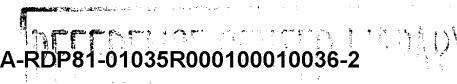
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SUPPLEMENT TO  
REPORT NO.Minc's Statements

1. The budget cannot be an index of true figures. Items which pertain to military preparedness, security, and PPR and its internal security branches, must be excluded. We must reduce the number of items in the budget to make control of it more difficult, especially for the opposition. The Polish Government must not be caught in an uncomfortable position. We must therefore adopt the USSR ways of budgeting. Secrecy does not exclude control; control will be exercised by the BP PPR.
2. In our "popular democracy," as in the USSR's socialist democracy, secret budgeting must cover the following items:
  - (a) the Army,
  - (b) security,
  - (c) the PPR and its propaganda and education programs.
3. This need for secrecy exists because-
  - (a) Our young "popular democracy" has enemies abroad: the Germans and Anglo-Saxons; and enemies within: reaction and the underground.
  - (b) We are in the midst of historical internal changes.
  - (c) We are witnessing a general, secret preparation for a new war.
4. Our economy is characterized by planning. We have adopted planning with a view toward converting our State and Nation from Capitalism to Socialism. We have adopted Soviet methods and must put them into operation to prepare us for the war that may face us. This spirit must characterize our National viewpoint so that reconstruction of our economy will be accompanied by a change in the psychology and political structure of the people.

CLASSIFICATION

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5. For some time we have been able to augment party funds from "outside the State budget." We have done this to avoid complete dependence on public donations received through the Ministry of Finance. The PPR received 1,432,000,000 zl. from the National Levy (Danina Narodowa). With this money we were able to expand the Party and reinforce its intelligence and propaganda networks. Expenses for propaganda and political education are entailed because the "popular democracy" must have power, and is searching for it by leaning on the workers and the peasant masses.
6. Poland must carry out an armament program involving not only industry but co-ordination in the matter of raw materials and food.

Berman's Criticism

7. Poland's balance sheet shows the following:

## (a) Assets

- (1) Stability in the Army.
- (2) Pacification in the domestic field through the efforts of PPR and UB (Political Police).

## (b) Liabilities

- (1) Decline of consumption.
- (2) Decline of national income.
- (3) Great rise in taxation.
- (4) The problems of instruction and education in the socialist spirit have not been solved despite tremendous expenses.

8. The liability side of this balance sheet foretells eventual exhaustion of financial means and spiritual forces. Our course is leading to a regime based on the gun and the prison instead of a powerful State based on the understanding and contentment of the masses.

Ninc's Rebuttal

9. The need for speedy accomplishment of our program must, of necessity, burden the present generation as well as those to come.

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